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Investment Idea / IPO Note

Insights Analytics Berhad

AI Meets Liquid Gold

By Crystal Chin

BUY

IPO Price: RM0.36

Fair Value: RM0.58

Insights Analytics Berhad (IAB: 0376), specialises in water technology solutions for water management across the water utility supply chain, primarily in Sarawak. We project IAB to register core net earnings of RM25m and RM29m for FY26F and FY27F respectively, driven by strong growth from intelligent asset management solution segment and improving margins. BUY with a fair value of RM0.58, premised on 11x PER (a discount to sector valuations given its smaller market capitalisation) over FY27F EPS.

IAB maintains a strong customer portfolio within the water management industry and has over 10 years relationships with key clients including Jabatan Bekalan Air Luar Bandar Sarawak (JBALB), Sibu Water Board, Sarawak Water and Kuching Water Board thus provide solid foundation for future contract wins and sustainable business growth.

As of September 2025, IAB has an unbilled orderbook of RM35.3m. The company has demonstrated strong profitability, achieving a net margin of 38.2% in FY25. This was supported by strong gross profit margins from new projects of its IntelliConstruct System, which has emerged as the main revenue contributor during the year. We expect net margins to remain above the 30% thresholds for FY26-FY28.

IAB intends to acquire a new premise in Kuching, Sarawak to serve as its expanded headquarter. The new office will house a mini data centre to strengthen IT infrastructure and meet rising data solution demands. In addition, a new branch office has been rented in Puchong, Selangor, to better serve clients across West Malaysia.

In October 2025, IAB signed an MoU with Sarawak Artificial Intelligence Centre (SAIC), a state-owned AI research entity, to jointly develop sovereign AI and digital twin technologies for energy, utilities, water, construction, transportation, and agriculture. This partnership strengthens IAB's position within Sarawak's digital economy blueprint 2030.

Looking ahead, we expect IAB to benefit from the National Non-Revenue Water (NRW) programme (2025-2030), PETRA Projects and other government-led infrastructure initiatives aimed at improving water efficiency and digitalising utilities nationwide. Backed by a healthy orderbook, a recurring client base, and a proven execution track record, the company is well-positioned to sustain robust margins, deliver consistent earnings growth, and maintain a strong balance sheet and net cash position post-listing.

KLCI	1,613.27
YTD FBM KLCI change	-1.77%
YTD FBM SC Index change	-6.41%

Stock Information

Market Cap Upon Listing (RM'm)	198.00
Enlarged Share Capital (m)	550.00
Shariah Compliant	Yes

IPO Proceeds (RM'm)

Expansion of corporate office in Sarawak	4.40
Expansion of IT operations	1.86
Expansion of West Malaysia branch office	1.21
General working capital	22.18
Strategic investments, merger and acquisition opportunities	9.00
Estimated listing expenses	4.91
Total	**43.56**

Major Shareholders

Ts. Wee Khiam Hui	37.2%
Charlene Bong Myn Ee	18.3%
Bong Joon Fook	17.5%

Summary Earnings Table

FY Mar (RM'm)	2024A	2025A	2026F	2027F
Revenue	32.0	49.6	78.9	89.7
EBIT	9.7	24.2	33.5	38.8
Pretax profit	9.7	25.7	33.6	38.9
PATAMI	**6.9**	**19.0**	**24.9**	**28.8**
Core PATAMI	**6.9**	**19.0**	**24.9**	**28.8**
Consensus	-	-	-	-
Core EPS (sen)	1.3	3.4	4.5	5.2
EPS growth (%)	44%	176%	31%	16%
DPS (sen)	-	-	-	-
PER (x)	28.8	10.4	8.0	6.9
BV/Share (RM)	0.07	0.23	0.28	0.34
ROE (%)	24.0%	17.7%	23.3%	18.0%
Div. Yield (%)	-	-	-	-

Sources: Prospectus, Rakuten Trade Research

COMMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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